



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 3, 2000

CERTIFIED RETURN RECEIPT

P 074 976 823

Robert Steele

Robert Steele - J-W Dansie Company

1055 North 400 East

Nephi, Utah 84648

Re: Division Directive to Confine Mining Operations to the 5-Acre Small Mining Operations Permit Area, Robert Steele, J-W Dansie Company, Levan Gypsum-Juab Gypsum Mine, M/023/016, Juab County, Utah

Dear Mr. Steele:

The purpose of this letter is to direct you to confine all continued mining activities on the Levan Gypsum mine site to a designated 5-acre area of surface disturbance.

The Division has completed its assessment of your October 29, 1999 response to our September 8, 1999 notification that you had exceeded the five (5) acre small mining threshold at the Levan Gypsum mine site. As you will recall, our September 8th letter outlined three (3) options to choose from in order to continue mining activities within the current disturbed area which has been estimated at approximately 8 acres. You chose options 2 and 3, which required the filing of an interim reclamation surety and a complete and technically adequate Large Mining Operation Notice of Intention. We have processed your Large Mining Notice and will send our technical review comments under a separate letter.

This letter addresses our assessment of the adequacy of your overall response to the three (3) options/choices identified in our September 8th letter. It also includes a Division Directive to suspend all mining activities outside of a designated 5 acre area until a large mine permit is approved and an appropriate reclamation surety is filed which satisfies the requirements of the Utah Mined Land Reclamation Act.

Our assessment of your October 29th response to the three options outlined in our September 8th letter is as follows:

- Option 1. Commence immediate reclamation of the mine site to reduce the surface disturbance down to five (5) acres or less, by backfilling, regrading, recontouring and reseeding. This work must be completed no later than October 30, 1999; or

You did not choose this option. To our knowledge contemporaneous reclamation has not been performed to reduce the size of your surface disturbance to five (5) or less acres. It is our understanding that active mining operations have continued on a periodic basis, to date.

- Option 2. Post an *interim* reclamation surety in the amount of \$24,000 within 30 days of your receipt of this letter. This amount is a preliminary estimate of the projected costs for the Division to reclaim the site in its present condition (@8 acres x \$3,000/acre). This reclamation surety amount will be adjusted accordingly upon final approval of your large mining operation permit application; and

- **Note:** *On the advise of legal counsel, the Division cannot offer an option of posting an interim surety to the mining industry.*

You responded to this request by stating that you have filed a \$38,000 surety with the Forest Service. It is our understanding that a \$38,000 certificate of deposit was filed by Gunnison Gypsum with the Manti LaSal National Forest in 1998. The Forest Service presently recognizes Mr. Robert Miller of Gunnison Gypsum as the operator of record for this project. Gunnison Gypsum assumed the original Plan of Operations that you originally filed with the Forest Service for this site. The Forest Service received a June 10, 1999, letter identifying Robert Steele as an authorized field representative for Robert Miller. You remain the operator of record for the Small Mining Operations permit granted by our Division. To date, you have not filed a Small Mine permit transfer form to formally transfer your small mining permit to Gunnison Gypsum.

Your recent Large Mining Operations permit application does not reference or explain any relationship with Gunnison Gypsum or Mr. Miller. No explanation is provided showing how Mr. Miller's reclamation surety is tied to your permit application. Presently, we are not listed as a beneficiary or co-holder on Gunnison Gypsum's surety. Therefore, the Division has no right or access to this surety should it become necessary to forfeit the bond to reclaim the mine site. The Forest Service surety could not be used to reclaim the mining disturbances located on the adjacent private land. Until this relationship/connection is clarified, we cannot recognize or accept the surety held by the Forest Service for the federal lands affected by this mining operation.

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- Option 3. File a complete and technically adequate Notice of Intention to Commence Large Mining Operations (form MR-LMO) with this office within 60 days of your receipt of this letter. A requisite \$350 permit application fee is required to accompany a new LMO with less than 50 acres of disturbance.

The large mining permit application submitted on October 29, 1999, has significant deficiencies. Therefore, the LMO permit application cannot be determined complete and technically adequate at this time. The annual permit fee of \$350 for the LMO was received.

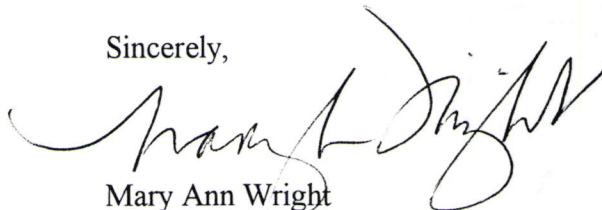
To date, you have not provided an adequate response to address the options selected. The site remains in an unacceptable permitting condition. Therefore, the following Division Directive is issued:

Active mining operations must immediately be restricted to a 5-acre area at the Levan Gypsum mine site until a Large Mining Operations Notice of Intention is approved and an acceptable reclamation surety is filed with the Division. A complete Reclamation Contract (Form MR-RC) and surety must be received before final approval can be granted. The 5-acre operations area (including access & haul roads) must be clearly and accurately delineated with appropriate perimeter/boundary markers on the ground within two weeks (14 days) of your receipt of this notice.

We will conduct an onsite inspection before the end of April 2000, to confirm that mining operations are being conducted within the 5-acre area and that the disturbed area boundaries are clearly identified.

If you object to this directive, you may appeal this decision to Lowell Braxton, Division Director. You must contact the Division and register your appeal within 10 days of your receipt of this letter. Please contact Tiffini Moss, Executive Secretary, at (801) 538-5304 to register your appeal and schedule a meeting before the Division Director.

Sincerely,



Mary Ann Wright
Associate Director, Mining

jb
cc: Will Wilson, U.S. Forest Service
Wayne Hedberg, DOGM
Tom Munson, DOGM

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